

**BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION**

IN RE: Joyce Simpkins Duke )  
Map 22, Control Map 22, Parcel 5.00 ) Cheatham County  
Farm Property )  
Tax Year 2007 )

**INITIAL DECISION AND ORDER**

**Statement of the Case**

The subject property is presently valued as follows:

	<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
MKT.	\$209,500	\$58,600	\$268,100	\$ -
USE	\$ 57,000	\$58,600	\$115,600	\$28,900

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on October 17, 2007 in Ashland City, Tennessee. In attendance at the hearing were Joyce Simpkins Duke, the appellant, and Betty Balthrop, Cheatham County Assessor of Property.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Subject property consists of a 62 acre farm improved with a single family residence located at 1462 Ridge Circle in Joelton, Tennessee. Subject acreage previously consisted of three separate tracts which the taxpayer acquired at auction on November 7, 2005 for a total of \$267,500.

The taxpayer contended that subject property should be valued at a maximum of \$182,600 by reducing the appraisal of the acreage to \$2,000 or less per acre. In support of this position, the taxpayer argued that the current appraisal of subject acreage does not achieve equalization given the assessor's per acre appraisals of other properties in the area. In addition, the taxpayer appended to her appeal form sales and listing data which she asserted confirm her contended value.

The assessor contended that subject property should remain valued at \$268,100. In support of this position, the assessor argued that both the taxpayer's purchase of subject property for \$3,329 per acre and the December 12, 2005 sale of parcel 5.02 for \$3,337 per acre support the current appraisal of subject property from a market value standpoint.

The assessor also maintained that subject acreage has been appraised consistently with other farms in the area. In support of this contention, the assessor introduced into evidence a spreadsheet summarizing how six (6) other farms have been appraised.



The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should be valued at \$268,100 as contended by the assessor of property.

Since the taxpayer is appealing from the determination of the Cheatham County Board of Equalization, the burden of proof is on the taxpayer. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The administrative judge finds that the fair market value of subject property as of January 1, 2007 constitutes the relevant issue. The administrative judge finds that both the taxpayer's purchase of subject property and the comparable sale introduced by the assessor support the current appraisal of subject property. Respectfully, the administrative judge finds that the sales and listings relied on by the taxpayer have not been sufficiently analyzed and cannot meaningfully be compared with subject property absent additional evidence.

The administrative judge finds that the taxpayer's equalization argument must be rejected. The administrative judge finds that the State Board of Equalization has historically adhered to a market value standard when setting values for property tax purposes. See *Appeals of Laurel Hills Apartments, et al.* (Davidson County, Tax Years 1981 and 1982, Final Decision and Order, April 10, 1984). Under this theory, an owner of property is entitled to "equalization" of its demonstrated market value by a ratio which reflects the overall level of appraisal in the jurisdiction for the tax year in controversy.<sup>1</sup> The State Board has repeatedly refused to accept the *appraised* values of purportedly comparable properties as sufficient proof of the *market* value of a property under appeal. For example, in *Stella L. Swope* (Davidson County, Tax Years 1993 and 1994), the Assessment Appeals Commission rejected such an argument reasoning as follows:

The assessor's recorded values for other properties may suffer from errors just as Ms. Swope has alleged for her assessment, and therefore the recorded values cannot be assumed to prove market value.

Final Decision and Order at 2.

### ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2007:

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<sup>1</sup> See Tenn. Code Ann. §§ 67-5-1604-1606. Usually, in a year of reappraisal – whose very purpose is to appraise all properties in the taxing jurisdiction at their fair market values – the appraisal ratio is 1.0000 (100%). That is the situation here.



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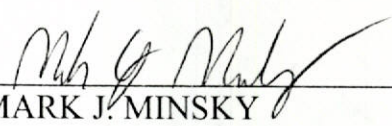
It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 6th day of November, 2007.

  
 MARK J. MINSKY  
 ADMINISTRATIVE JUDGE  
 TENNESSEE DEPARTMENT OF STATE  
 ADMINISTRATIVE PROCEDURES DIVISION

c: Ms. Joyce Simpkins Duke  
 Betty G. Balthrop, Assessor of Property